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Bulletin

Title: Major Changes in the Use and Management of Travel Charge Cards

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Originating Office: Travel and Relocation Services Branch, Financial Management
Division, ARS/AFM

Distribution: All REE Employees

This bulletin announces interim Departmental policy on use and management of the Individually-issued Travel Charge Card effective for travel on and after May 12, 2003.

This bulletin prescribes interim guidance to the Research, Education, and Economic (REE) agencies for the use of and management of travel charge cards. This interim guidance will be effective for official travel performed on and after May 12, 2003.

The Government travel charge card program was developed to procure transportation services, subsistence, and other allowable travel and transportation expenses incurred during official travel.

1. POLICY

The Travel and Transportation Reform Act of 1998 requires the mandatory use of the travel charge card by employees who meet REE requirements for issuance of the card. Exemptions to mandatory use are; 1) new employees who are required to perform temporary duty travel en route to their first post of duty; 2) employees who have had their travel charge card canceled for cause by Bank of America (BoA); 3) Intermittent/seasonal employees; or, 4) employees not expected to travel once or more a year. The use of the travel charge card is limited to reimbursable travel expenses incurred in conjunction with official travel. The provisions of this policy apply to all employees, supervisors, and managers of REE who have been issued or are applying for a travel charge card.

This policy sets forth a “*USDA Zero Tolerance Policy*” for any inappropriate charges and delinquencies. Zero tolerance strictly prohibits the following uses of the card:

- a **Unauthorized charges and charges not associated with official travel.**
 - (1) Personal and family member use of the card is forbidden.
 - (2) Additional prohibited activities are listed in Section 3.
- b Charges while not in an official travel status.
 - (1) Use of the card in the vicinity of the official duty station or residence is forbidden unless used in connection with officially ordered travel.
 - (2) Cash withdrawals from an automated teller machine are also forbidden.
- c Shared use of the card with another employee for official travel purposes.
- d Account delinquency beyond a 30-day period.
- e **Failure to use the card while on travel.**
- f Failure to pay accounts with sufficient funds.
- g Failure to use Government voucher reimbursements to repay travel expenses.
- h **Excessive cash advances**, or cash advances not commensurate with official travel.

The underlying objective of the “*USDA Zero Tolerance Policy*” is to eliminate misuse and abuse in the travel charge card program so that it does not become necessary to impose disciplinary procedures on any REE employee. Proper use of the travel charge card will preserve the reputation of REE and USDA and its employees to achieve its mission and goals with integrity.

2. CYCLE AND SPENDING LIMITS

There is a monthly use limit of \$5,000 and a cumulative limit (in the event travel spans two or more months) of \$10,000 for REE travel charge cardholders. These limitations are based on the monthly billing cycle.

Employees performing foreign travel, transfer of station (relocation), or a short/long term detail, may request, with supervisory concurrence, higher monthly limits for a specific travel situation. Supervisors will contact the appropriate Agency Program Coordinator (APC) at least 3 days prior to an employee's departure to request limit changes. Once an employee completes their travel assignment, the supervisor will notify the APC to initiate action to reset the monthly limit. **Please Note:** ARS Area Offices may establish local, alternate procedures for controlling card limit changes.

3. MERCHANT CATEGORY CODE

The Bank of America operates a monitoring system which incorporates use of a four digit Merchant Category Code (MCC). The MCC groups various merchants, products, and services into like categories e.g.; motels, restaurants, retail vendors, training establishments, banks, etc. This process will be used by BoA to monitor and control various travel charge card purchases.

a. Retail Block

USDA has instructed BoA to decline travel charge card use for the following MCCs:

- 1) Book and Magazine Subscriptions
- 2) Membership Fees
- 3) **Training and Conference or Registration Fees ***
- 4) Higher Education Expenses
- 5) Theme Parks
- 6) Management Consulting Services
- 7) Automobile Purchases; Car Repairs & Services
- 8) Clothing, Lingerie, Outerwear, Shoes, & Furniture
- 9) Hair Services, Cosmetics, Tattoos, & Massages
- 10) Emergency Medical Services
- 11) **Office Supplies**
- 12) Computers, Televisions, or Digital Equipment
- 13) Any other service or product is prohibited for personal, family, or household purposes
- 14) **Any charges associated with a Government-owned vehicle (GOV) that should be charged to the Voyager Fleet card assigned to the vehicle.**

* Training, conference, or registration fees **MAY NOT** be paid with the travel charge card. All such fees must be procured using an alternate procurement method, e.g; Government Purchase Visa card.

b. Dollar limitations

USDA has instructed BoA to place dollar limitations on the following types of charges and they will be monitored by BoA using the Merchant Category Code process. Cardholders will be automatically precluded from exceeding the following dollar limitations. Attempting to exceed these dollar limitations will result in the charge being declined by BoA.

1) Automated Teller Machine (ATM)

Cash withdrawal limits are \$375 weekly. No more than \$50 per day. ATM service fees will be reimbursed as a miscellaneous expense on the travel voucher. Cash obtained from the ATM in amounts greater than required for the travel duration are considered excessive cash advances.

2) **Food** - weekly food allowance of \$400.

3) **Other** - a billing cycle limit of \$2,000 for hotels/motels, rental cars, etc.

4. TRAVEL ADVANCES

Employees that have a travel charge card have access to the ATM for cash withdrawal. Therefore, **employees who have a travel charge card may not obtain a travel advance from the National Finance Center (NFC) through the travel system, except for foreign travel.**

A canceled travel charge card account reflects unfavorable past performance. For this reason, employees with canceled travel charge card accounts are considered high risk in the repayment of travel advances. Therefore, an **employee who has had their travel charge card canceled for misuse or non-payment may not apply for a travel advance from NFC.** Common carrier tickets will be paid by the agency, however, all other travel expenses will be paid by the employee and subsequently reimbursed.

5. DEACTIVATION AND REACTIVATION

Travel charge card accounts that remain **inactive during a six-month period will be automatically deactivated by BoA**, or when requested by an employee's immediate supervisor.

Infrequent travelers must contact BoA Customer Service using the telephone number provided on the reverse of the travel card to determine their card status. **Employees with a deactivated travel**

charge card must contact their APC 3 days prior to commencing travel (does not include weekends) to have their travel charge card reactivated, if required. Please Note: ARS Area Offices may establish local, alternate procedures for card reactivation.

6. RESPONSIBILITIES

The following offices and individuals have direct responsibilities for monitoring the use of the travel charge card:

a. Employees. Employees who are issued a travel charge card assume the responsibility to use the card for official purposes and pay their charges in a timely manner. Use of the card does not relieve the employee of the responsibility to employ prudent travel practices and to observe rules and regulations governing travel as set forth under the “*USDA Zero Tolerance Policy*” and agency specific policies and procedures.

Cardholders are personally responsible for all items billed to the card, unless the card was reported lost or stolen. Employees shall pay their bills in accordance with the contractor bank payment terms. These responsibilities are explained in the Cardholder Agreement that each employee signs during the application process. Furthermore, employees are not relieved of their obligation to pay the travel charge card bill in those rare instances when the agency has not reimbursed the traveler within the 30-days after receipt of a timely submitted voucher. (FTR 301-52.24)

Employees who apply for the card will:

- (1) Complete and sign the Acknowledgment Statement recognizing receipt and understanding of the policies and procedures related to the use of the travel charge card on the cardholder application;

Obtain the signature of the approving official or immediate supervisor on the cardholder application; and

Forward the application to their APC for processing.
- (2) Secure the travel charge card in the same manner as a personal charge card. The card shall not be stored or kept by anyone other than the employee.
- (3) Black out all but the last six numbers of the charge card number from any receipts submitted with your travel voucher.
- (4) Obtain cash advances from ATMs as discussed in Section 2 of this policy. Cardholders are issued Personal Identification Numbers (PINs) by BoA to use this feature of the travel charge card. **Employees who have been**

issued a travel charge card may not obtain a travel advance from the National Finance Center (NFC) unless foreign travel is authorized.

- (5) Pay travel charge card bills in full when due and before the next statement date.
- (6) Conform to the “*Standards of Ethical Conduct for Employees of the Executive Branch*,” 5 CFR Parts 2635. As a Federal employee, standards of conduct for public trust positions apply. The standards in Attachment A require employees to pay each financial obligation in a proper and timely manner.
- (7) Dispute a charge not made by the cardholder. It is the employee’s responsibility to contact BoA to dispute a charge. All disputes must be filed in writing within 60 days of the date the charge first appears on the billing statement. BoA can be reached by calling the customer service number provided on the monthly billing statement or on the back of the travel charge card for the specific forms to file a dispute. The bank will need to know the following:
 - (a) Employee name and account number;
 - (b) Reference number of the disputed charge;
 - (c) Name of establishment where charge was incurred;
 - (d) Amount of the charge;
 - (e) Statement date; and
 - (f) Reason for dispute.
- (8) Notify the APC when transferring between offices within REE or USDA. This notification is essential for internal management reports and mailing addresses to be kept current.
- (9) Return the card, cut in half, to your supervisor or APC for cancellation when leaving, retiring, or transferring to an agency outside of USDA.
- (10) Employees will have seven business days to respond to official inquiries regarding card use or payment status. Responses to official requests must be in writing (E-mail is acceptable).

b. Agency Program Coordinators (APC).

APCs will regularly utilize their access to online reporting capabilities provided by BoA to keep abreast of travel charge card misuse and delinquency trends. To increase REE’s retention of travel card rebates, APCs are responsible for monitoring the monthly delinquency reports provided by BoA for employees who are in a pre-suspension status.

These reports should be forwarded to supervisors for appropriate action, including counseling, disciplinary action, and salary offset (**when it becomes available in USDA**).

APCs will also:

- (1) If applicable, monitor the use of centrally billed accounts (CBA). The use of a CBA results in significant administrative costs to the agency. A CBA will be used only to pay for common carrier expenses for non-government persons traveling on invitational travel orders, for those employees not issued a travel charge card, and for foreign travel common carrier tickets. NASS has obtained a departmental waiver for continued CBA use.
- (2) Provide eligible employees requesting a card with a copy of the BoA Cardholder Agreement and either a copy of this bulletin or the web location of this bulletin.
- (3) Ensure completeness of the Employee Acknowledgment Statement on the cardholder application.
- (4) Maintain a central file of the signed cardholder applications for all employees who are current cardholders.
- (5) Monitor the contractor-issued monthly charges and delinquency reports identified in Attachment B of this bulletin and review BoA reports to identify employees who:
 - 1 have left USDA;
 - 2 have violated the “*USDA Zero Tolerance Policy*,” and
 - 3 have had additional administrative restrictions placed on their accounts.

Electronic and web based reports should be used whenever possible to reduce paperwork in accordance with the Paper Reduction Act.

- (6) Notify the employee of possible misuse or delinquencies (30 days or greater), with a carbon copy to the employee’s supervisor. Provide the employee seven business days to respond. If an acceptable response is not received within the seven business days the matter will be referred to the employee’s supervisor for resolution. For consistent notification procedures within USDA, use the Inappropriate Use, Unauthorized Use and Delinquent memoranda found in Attachment C of this policy for warning employees of potential travel charge card misuse and delinquency.
- (7) Notify BoA when an employee transfers between offices within REE or USDA, and transfer the cardholder account.

- (8) Reactivate travel charge cards for employees when needed for authorized travel.

The following individuals have been designated APCs for the REE agencies:

ARS

ARS/AFM

Linda E. Mahoney, REE/ARS Travel Coordinator
Michele Williams
Alonzo Walker
Angel “Cherie” Spates

Note: ARS/AFM designated personnel have access to all REE agency accounts and transaction data.

ARS/Administrative Support Office/NAL
Beltsville Area Office
North Atlantic Area

Elizabeth Jackson
Nancy Gatdula
Joyce Hamilton
James Rogers

Midwest Area

Joanne Volk

Pacific West Area

B.J. Dailey

Northern Plains Area

Lisa Jackson-Beitia

Southern Plains Area

Joyce Daniels

Mid South Area

Linda Sundstrom

South Atlantic Area

Phil Dailey

Freida Williams

June Williams

Carolyn “Cack” Norquist

Justine Bryson

Valjean Farmer

Dorothy Buckman

CSREES

Angel Spates

ERS

Office of the Administrator

Maxine Cooke

Central Operations Staff

Linda Felton

Leslee Lowstuter

Information Services Division

Linda Neely

Market & Trade Economics Division

Kimberly Queen

Jennifer Meyers

Beverly Payton

Food & Rural Economics Division

Lisha Douglas

Resource Economics Division

Lori McPherson

c. Cardholder's Immediate Supervisor. The cardholder's immediate supervisor will:

- (1) Notify the employee of any questionable or inappropriate charges and/or delinquencies and give the employee the opportunity to explain the charge or delinquency. A record shall be maintained of the notification and the explanation received from the employee.
- (2) Take appropriate disciplinary action if an explanation is inadequate to support a questionable charge. The supervisor shall contact the agency servicing personnel office for a determination of the appropriate disciplinary action that shall be taken. At the discretion of the agency, the card may be suspended or revoked. Maintain documentation of referrals to the agency's servicing personnel and document the resolution of the incident.
- (3) Revoke the card if there is a pattern of inappropriate use or insufficient explanation for repeated delinquencies. Appropriate disciplinary action, as recommended by the servicing personnel office, shall also be taken.
- (4) Notify the APC when the card should be canceled or revoked because of inappropriate use or delinquency.
- (5) Notify the APC when an employee is transferring between offices within REE or USDA.
- (6) Retrieve the travel charge card from the employee and return it to the APC for cancellation when an employee leaves, retires, or transfers outside of USDA.
- (7) Assure the appropriate official signs an exit clearance or other form to document cancellation of the travel charge card when an employee leaves USDA.

7. USE OF CASH TO PROCURE TRANSPORTATION TICKETS

Note: FTR 301-51.100 states, "you **must** use a Government contractor-issued travel charge card, centrally billed account (GVTS/CBA), or Government Transportation Request (GTR) [to be retired 6/30/03], to procure common carrier tickets when the cost is more than \$100. This

regulation **does not allow the use of cash or personal credit cards to purchase common carrier transportation** except when the agency authorized a traveler to use a reduced fare for group, charter, excursion arrangements, or under emergency circumstances where the use of other methods is not possible.” Only the agency Administrator may approve the emergency use of cash. This regulation also applies to non-Government travelers under invitational travel orders. Therefore, non-government persons under invitational travel orders must use a government contracted travel management center for their common carrier tickets.

8. COLLECTION OF DELINQUENT AMOUNTS

In accordance with the cardholder agreement, employees are obligated to pay the undisputed balance within 30 days.

Please note: Travel charge card account balances that are delinquent will be eligible for the USDA automatic travel charge card salary offset program, when it becomes available in the Department (anticipated within the next several months). Upon written request from BoA, USDA will collect from an employee’s disposable pay any undisputed amounts owed to BoA. Administrative offset from the employee’s disposable pay may not exceed 15% unless a higher amount is authorized by a cardholder. USDA must follow the due process requirements contained in FTR 301-54.100 before any deductions can be made. Before initiating a salary offset action, agency finance offices will verify the employee has been reimbursed for a properly filed travel voucher. **Employees with delinquent travel charge card accounts will be subject to disciplinary actions.**

Any questions pertaining to this bulletin may be directed to Steven M. Helmrich, Director, Financial Management Division, on 301-504-1257.

S. M. HELMRICH
Director
Financial Management Division

Attachment A

Government Employees Standards of Conduct

The following excerpts pertinent to the use of the Travel Card are from
Title 5, Code of Federal Regulations, Part 2635,
“Standards of Ethical Conduct for Employees of the Executive Branch”:

Section 2635.101, “Basic Obligations of Public Service,” state the following:

-Public service is a public trust, requiring employees to place loyalty to laws and ethical principles above private gain.

(For example, do not take advantage of the charge card privileges for your personal use.)

-Employees shall put forth honest effort in the performance of their duties.

(For example, abide by the agency policy in carrying out your responsibilities as a cardholder.)

-Employees shall not knowingly make unauthorized commitments or promises of any kind purporting to bind the government.

(For example, do not make purchases with the travel card if purchases have not been authorized.)

-Employees shall not use public office for private gain.

(For example, do not use the charge card to make a personal unauthorized purchase.)

-Employees shall satisfy in good faith their obligations as citizen, including all just financial obligations.

(For example, pay your charge card bill on time. A check returned for insufficient funds does not demonstrate good faith in paying your bills.)

-Employees shall endeavor to avoid any actions creating the appearance that they are violating the law or the ethical standards set forth in this part.

(For example, do not avoid agency policies and procedures for administrative convenience.)

ATTACHMENT B

Available EAGLS Reports

If you need to view information on...	... Then use these reports
<p style="text-align: center;">Accounts that may require A/OPC Review</p>	<p>Delinquency Suite:</p> <ul style="list-style-type: none"> • Delinquency Reports • Pre-Suspension Report • Suspension/Pre-Cancellation Report • Cancellation Report <p>Exception Reports:</p> <ul style="list-style-type: none"> • Exceptions: Account Number • Exceptions: ATM/Cash Activity • Exceptions: Hierarchy Level • Exceptions: Returned Check Charges • Exceptions: Transactions Over \$2,500 <p>Account Maintenance:</p> <ul style="list-style-type: none"> • Account Renewal • Authorizations/Declines • Maintenance Requests • New Accounts • Lost/Stolen Report
<p style="text-align: center;">Cancelled Accounts</p>	<ul style="list-style-type: none"> • Aging Analysis (Summary Information HL1-HL3) • Cancellation Report • Cancellation Summary Report
<p style="text-align: center;">Cardholders or Agencies (Detail)</p>	<ul style="list-style-type: none"> • Account Listing • Account Renewal • Agency Program Information • Maintenance Request • New Accounts
<p style="text-align: center;">Charged-Off Accounts</p>	<ul style="list-style-type: none"> • Aging Analysis (Summary Information HL1-HL3) • Charge Off Report
<p style="text-align: center;">Delinquent Accounts (Detail)</p>	<p>Delinquency Reports:</p> <ul style="list-style-type: none"> • Delinquency Report - Account Number • Delinquency Report - Hierarchy Level • Delinquency Report - Hierarchy Level/Severity • Pre-Suspension Report • Suspension/Pre-Cancellation Report • Cancellation Report
<p style="text-align: center;">Travel Accounts</p>	<ul style="list-style-type: none"> • Account Activity Report • Airline Credit/Refund • Daily Invoice • Statistical Summary Travel • Summary ATM/Traveler's Checks • Summary Purchase • Summary Quarterly Merchant • Summary Quarterly Vendor Analysis • Transaction Activity

Attachment C-1

Example of the Memorandum to Employee From APC **INAPPROPRIATE USE NOTICE**

TO:

FROM: Agency Program Coordinator

SUBJECT: Inappropriate Charge Card Use

A review of the Bank of America (BoA) monthly activity charge card reports indicates that your Government travel charge card appears to have questionable transaction(s) during this reporting period. Please provide a written explanation, within seven business days, of the expenses incurred on your travel charge card. **List questionable transactions.**

As part of our commitment to provide service to employees participating in the travel charge card program, we would like to remind you of the responsibilities that employees have in using the BoA's travel charge card.

Employees who participate in the travel charge card program shall, to the maximum extent possible, utilize the travel charge card to pay for expenses connected with official Government travel (e.g., lodging, meals and automobile rentals). Employees should use the card ***only*** for authorized travel expenses on agency business. You should not use the travel charge card to pay for personal travel expenses or for any other purpose, which is not related to your authorized ***official*** government business.

If you have any other questions, please contact **add APC name** at **(XXX) XXX-XXXX**.

cc: Supervisor

Attachment C-2

Example of the Memorandum to Employee From APC UNAUTHORIZED USE NOTICE

TO:

FROM: Agency Program Coordinator

SUBJECT: Unauthorized Charge Card Use

Our review of the monthly activity reports provided by the Bank of America (BoA) has brought to my attention several instances of apparent unauthorized use of your Government travel charge card. These charges have included the use of the card for unauthorized personal retail purchases and/or excessive unauthorized Automated Teller Machine (ATM) withdrawals. Please provide a written explanation, within seven business days, of the expenses incurred on your travel charge card. **List questionable transactions.**

Unauthorized use of the travel card may result in the suspension or cancellation of the travel card privileges, the forward of a delinquent account notice to a collection agency, or in case of court judgments, a garnishment of salaries, as well as agency disciplinary action. Your agency head and supervisor have been notified of your account status for immediate review and resolution.

If you have any questions, please contact **add APC name** at **(XXX) XXX-XXXX**.

cc: Supervisor

Attachment C-3

Example of the Memorandum to Employee From APC DELINQUENT NOTICE

TO:

FROM: Agency Program Coordinator

SUBJECT: Delinquent Notice for the Government Charge Card

Our review of the monthly activity reports provided by the Bank of America (BoA) indicates that your account may be 30 days past due. It is our position that delinquencies beyond the 30-day timeframe violate the Department's zero tolerance policy.

The agreement that you made with the BoA requires that all outstanding charges be paid upon receipt of your monthly statement. Your charge privileges may be subject to interruption if you do not bring your account to a current status. Please provide a written explanation, within seven business days, as to why your account is delinquent. **List delinquent amount.**

Any questions concerning your statement should be reported directly to the BoA. Please submit your payment for the total balance, both current and past due, to BoA.

If you have any other questions, please contact **add APC name** at **(XXX) XXX-XXXX**.

cc: Supervisor